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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

Draft resolution submitted by the Vice-Chair of the Committee, Mr. Erik Lundberg (Finland), on the basis of informal consultations on draft resolution A/C.2/65/L.7

Follow-up International Conference on Financing for Development

The General Assembly,

Recalling the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/272 and 57/273 of 20 December 2002, 57/270 B of 23 June 2003, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005, 61/191 of 20 December 2006, 62/187 of 19 December 2007, 63/239 of 24 December 2008, and 64/193 of 21 December 2009, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006, 2007/30 of 27 July 2007, 2008/14 of 24 July 2008, 2009/30 of 31 July 2009 and 2010/26 of 23 July 2010,

Recalling also the 2005 World Summit Outcome,[1]

Recalling further the Conference on the World Financial and Economic Crisis and Its Impact on Development and its Outcome,[2]

Recalling the 2010 High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome,[3]

[1] See resolution 60/1.
[2] Resolution 63/303, annex.
[3] See resolution 65/1.

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Recalling also the High-level United Nations Conference on South-South Cooperation, held in Nairobi from 1 to 3 December 2009, and its outcome,[4]

Taking note of the summary by the President of the General Assembly of the fourth High-level Dialogue on Financing for Development, held in New York on 23 and 24 March 2010,[5]

Taking note also of the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 18 and 19 March 2010,[6]

Taking note further of the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development,[7]

Taking note of the note by the Secretary-General entitled "Building on Monterrey and Doha: towards achieving the internationally agreed development goals, including the Millennium Development Goals",[8]

Taking note also of the progress report of the Ad hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[9]

Taking note further of the informal event on innovative sources of development finance, organized by the Secretary-General on 3 June 2010,[10]

1. *Reaffirms* the Monterrey Consensus of the International Conference on Financing for Development[11] in its entirety, its integrity and its holistic approach, recalling the resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

2. *Reaffirms* that each country must take primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizes that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership strategies and sovereignty;

3. *Expresses deep concern* over the ongoing adverse impacts of the global financial and economic crisis on development, including on the capacity of

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[4] Resolution 64/222, annex.

[5] See A/64/PV.79.

[6] A/65/81-E/2010/83.

[7] A/65/293.

[8] E/2010/11.

[9] A/64/884.

[10] A/65/339, annex.

[11] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

developing countries to mobilize resources for development, recognizes that, while global growth is returning, there is a need to sustain the recovery which is fragile and uneven, and acknowledges that an effective response to the impacts of the crisis requires timely implementation of all development commitments, including existing aid commitments;

4. *Recalls* the importance of the overall commitment to just and democratic societies for development as spelled out in the Monterrey Consensus;[11]

5. *Reaffirms its determination* to advance and strengthen the global partnership for development as the centrepiece of cooperation, in the years ahead, as reaffirmed in the United Nations Millennium Declaration,[12] the Monterrey Consensus,[11] the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[13] the 2005 World Summit Outcome,[1] the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus[14] and the outcome document of the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals entitled "Keeping the promise: united to achieve the Millennium Development Goals";[3]

6. *Recognizes* that mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

7. *Recognizes also* that the mobilization of domestic and international resources and an enabling domestic and international environment are key drivers for development;

8. *Reaffirms* the importance of the implementation of the commitment to sound policies, good governance at all levels and the rule of law;

9. *Recognizes* that a dynamic, inclusive, well-functioning and socially responsible private sector is a valuable instrument for generating economic growth and reducing poverty, emphasizes the need to pursue appropriate policy and regulatory frameworks at national levels and in a manner consistent with national laws through which to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment, and reiterates the importance of ensuring that the benefits of growth reach all people by empowering individuals and communities;

10. *Emphasizes* that the financial and economic crisis has demonstrated the need for more effective government involvement so as to ensure an appropriate balance between the market and the public interest, and recognizes the need to better regulate financial markets;

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[12] See resolution 55/2.

[13] See *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[14] Resolution 63/239, annex.

11. *Reiterates* the importance of investment in human capital, inter alia, in health and education, through inclusive social policies, in accordance with national strategies and priorities;

12. *Recalls* that the ongoing fight against corruption at all levels is a priority, and reaffirms the need to take urgent and decisive steps to continue to combat corruption in all of its manifestations in order to reduce obstacles to effective resource mobilization and allocation and prevent the diversion of resources away from activities that are vital for development, also recalls that this requires strong institutions at all levels, including, in particular, effective legal and judicial systems and enhanced transparency, recognizes the efforts and achievements of developing countries in this regard, takes note of the increased commitment of States that have already ratified or acceded to the United Nations Convention against Corruption[15] and in this regard urges all States that have not yet done so to consider ratifying or acceding to the Convention;

13. *Recalls* the resolve of Member States to enhance and strengthen domestic resource mobilization and fiscal space, including, where appropriate, through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion and capital flight, and reiterates that while each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters;

14. *Reaffirms* the importance of implementing measures to curtail illicit financial flows at all levels, enhancing disclosure practices and promoting transparency in financial information, and in this regard notes that strengthening national and multinational efforts to address this issue is crucial, including support to developing countries and technical assistance to enhance their capacities;

15. *Notes* that foreign direct investment is a major source of financing for development, and in this regard calls upon developed countries to continue to devise source-country measures to encourage and facilitate the flow of foreign direct investment, inter alia, through the provision of export credits and other lending instruments, risk guarantees and business development services; and calls upon developing countries and countries with economies in transition to continue their efforts to create a conducive domestic environment for attracting investments by, inter alia, achieving a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights; and stresses the importance of enhancing efforts to mobilize investment from all sources in human resources and physical, environmental, institutional and social infrastructure;

16. *Reaffirms* that international trade is an engine for development and sustained economic growth and the critical role that a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;

17. *Emphasizes* the need to resist protectionist tendencies and to rectify any trade distorting measures already taken that are inconsistent with World Trade Organization rules, recognizing the right of countries, in particular developing

[15] United Nations, *Treaty Series*, vol. 2349, No. 42146.

countries, to fully utilize their flexibilities consistent with their World Trade Organization commitments and obligations, and that the early and successful conclusion of the Doha Round with a balanced, ambitious, comprehensive and development-oriented outcome would provide much needed impetus to international trade and contribute to economic growth and development;

18. *Stresses* the essential role that official development assistance plays in complementing, leveraging and sustaining financing for development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals, reiterates that official development assistance can play a catalytic role in assisting developing countries in removing constraints on sustained, inclusive and equitable growth by, inter alia, enhancing social, institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovations, improving health and education, fostering gender equality, preserving the environment and eradicating poverty, and welcomes steps to improve the effectiveness and quality of aid based on the fundamental principles of national ownership, alignment, harmonization, managing for results and mutual accountability;

19. *Underlines* the fact that the fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015 and to reach a level of at least 0.5 per cent of gross national product for official development assistance by 2010, as well as a target of 0.15 per cent to 0.20 per cent of gross national product for official development assistance to least developed countries, and urges developed countries that have not yet done so to fulfil their commitments for official development assistance to developing countries;

20. *Reaffirms* that the United Nations funds, programmes and regional commissions, and the specialized agencies of the United Nations system, in accordance with their respective mandates, have an important role to play in advancing development and in protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the Millennium Development Goals, and reaffirms its determination to continue to take steps for a strong, well coordinated, coherent, effective and efficient United Nations system in support of the Millennium Development Goals;

21. *Considers* that innovative financing mechanisms can make a positive contribution in assisting developing countries to mobilize additional resources for financing for development on a voluntary basis, and that such financing should supplement and not be a substitute for traditional sources of financing, while recognizing the considerable progress in innovative sources of financing for development, calls for scaling-up of present initiatives, where appropriate;

22. *Recognizes* the ongoing efforts to strengthen and support South-South cooperation and triangular cooperation;

23. *Emphasizes* the great importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can be an important source of capital for economic growth and development, and also emphasizes that creditors and debtors must share responsibilities for preventing unsustainable debt situations;

24. *Emphasizes* that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management for efforts to achieve national development goals, including the Millennium Development Goals;

25. *Stresses* that the economic and financial crisis has highlighted the need for reform as well as added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including on issues related to mandate, scope, governance, responsiveness and development orientation, as appropriate, and in this regard encourages continued open, inclusive and transparent dialogue;

26. *Notes* the important efforts undertaken nationally, regionally and internationally to respond to the challenges derived from the financial and economic crisis, in order to ensure a full return to growth with quality jobs, to reform and strengthen financial systems, and to create strong, sustainable and balanced global growth;

27. *Calls for* increased efforts at all levels to enhance policy coherence for development, and affirms that achievement of the Millennium Development Goals requires mutually supportive and integrated policies for sustainable development;

28. *Recognizes* that recent special drawing rights allocations helped to increase global liquidity in response to the global financial and economic crisis;

29. *Reaffirms* the need to continue to broaden and strengthen the participation of developing countries in international economic decision-making and norm-setting, takes note of recent important decisions on reform of the Bretton Woods institutions' governance structures, quota and voting rights, better reflecting current realities and enhancing the voice and participation of developing countries, and reaffirms the need to further continue the reform of the governance of these institutions in order to deliver more effective, credible, accountable and legitimate institutions;

30. *Recalls* the provisions of its resolution 64/193, and of Economic and Social Council resolutions 2009/30 and 2010/26 relevant to the financing for development follow-up process and in this regard:

(a) Takes note with appreciation of the efforts already undertaken to strengthen the financing for development follow-up process;

(b) Acknowledges that the modalities of the process should be reviewed, as appropriate, within a time frame to be determined by the General Assembly;

(c) Requests the Secretary-General to submit a report in August 2012 providing elements for an assessment of the existing modalities of the financing for development follow-up process and, on this basis, exploring detailed options on possible arrangements to strengthen the financing for development follow-up process, following his report[7] and his note entitled "Coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development",[16] taking into account the views and proposals of Member States and all relevant stakeholders, and the need to ensure the coherence of United Nations processes in the field of financing for development;

[16] E/2009/48.

31. *Recalls* the decision to consider the need to hold a follow-up financing for development conference by 2013, as appropriate;

32. *Decides* to hold its fifth High-Level Dialogue on Financing for Development on 7 and 8 December 2011 at United Nations Headquarters, and requests the Secretary-General to prepare a note on the organization of work of that event, based on the organizational modalities of the fourth Dialogue, to be submitted before the end of its sixty-fifth session;

33. *Invites* the regional commissions to provide inputs and actively participate in the fifth High-Level Dialogue on Financing for Development to be held in 2011, and in this context calls upon the regional commissions, with the support of regional development banks and other relevant entities, to hold regional consultations, as appropriate, as part of their inputs to the High-Level Dialogue;

34. *Reiterates* its appeal to Member States and other potential donors to consider contributing generously to the Financing for Development Trust Fund, which would facilitate the implementation of a strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up;

35. *Decides* to include in the provisional agenda of its sixty-sixth session the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference", and requests the Secretary-General to submit, under that item, an annual analytical assessment of the state of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and of the present resolution, which is to be prepared in full collaboration with the major institutional stakeholders.